



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 26, 2000

TO: Lowell P. Braxton, Director

THRU: Pamela Grubaugh-Littig, Associate Director *pgl*

THRU: Wayne Hedberg, Permit Supervisor *WH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aa*

RE: Request for Approval of Form and Amount of Reclamation Surety, Lisbon Valley Mining Co. - Summo USA Corporation (Summo), Lisbon Valley Copper Project, M/037/088 (ML-20569, UTU-72499), San Juan County, Utah

The Division has completed the review of Summo's July 14, 2000, amendment for drilling up to 14 water well holes within the approved large mine permit boundary for the Lisbon Valley Copper Project located in San Juan County, Utah. This amendment will disturb an additional 1.14 acres of disturbance and involves private, BLM and School and Institutional Trust Lands Administration (SITLA) land.

On October 10, 2000, Summo provided the Division with a revised Reclamation Contract and rider to the current surety bond. The rider increases the surety amount to a new total of \$124,200 as requested by the Division (copy of estimate enclosed). The current surety bond # issued by U.S. Fidelity & Guaranty Company is made out jointly to the Division, BLM, and SITLA. This surety company is on the federal register listing of acceptable bonding companies. The Division's legal counsel has reviewed the Reclamation Contract and surety bond rider and advised the acceptance of these documents (e-mail message enclosed).

The BLM issued approval of this proposal in their September 1, 2000, letter (copy enclosed) subject to posting the appropriate surety with the Division. SITLA issued conditional approval of this proposal in their September 5, 2000, letter (copy enclosed) provided the reclamation bonding requirements of the Division have been satisfied.

If you are in agreement with the acceptance of the reclamation surety please sign and date the documents as indicated so we may proceed to issue final approval for this amendment. Thank you for your consideration of this request.

Agree LPR 10/27

jb
Enclosures: BLM 9/1/00 letter, SITLA 9/5/00 letter, MR-RC, rider to surety,
power of attorney, Division surety estimate
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